

Automated Export System Compliance Review Program:

Best Practices

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USCENSUSBUREAU

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TABLE OF CONTENTS

Overview of the AES Compliance Review Program	2
BEST PRACTICES: Training	3
Training Manual	3
Cross-Training	3
Mentor Program.....	4
Seminars & Workshops	5
BEST PRACTICES: References	6
Contact Information	6
Frequently Asked Questions	7
BEST PRACTICES: Classifying Commodities	8
BEST PRACTICES: Export Checklist.....	10
BEST PRACTICES: Software Enhancements	11
Software Selection.....	11
Daily Reports	11
APPENDIX A: Sample Training Manual.....	13
APPENDIX B: Common Terms and Acronyms	23
APPENDIX C: Helpful Websites	24
Government Agencies.....	24
Export Regulations.....	25
Useful References.....	26

Overview of the AES Compliance Review Program

In October 2006, the U.S. Census Bureau (Census Bureau), Foreign Trade Division (FTD) developed the Automated Export System (AES) Compliance Review Program. The program seeks to assist companies in correcting reporting deficiencies that are not in compliance with the Foreign Trade Statistics Regulations (FTSR), Title 15, Code of Federal Regulations (CFR), Part 30. Section 30.66 (c) of the FTSR authorizes the Census Bureau to visit companies with the purpose of reviewing all documentation pertaining to export transactions. The ultimate goal of the program is to educate and bring all AES filers into full compliance with the FTSR. Failure to comply with reporting requirements may result in delayed shipments, civil fines and/or criminal penalties.

The Census Bureau began this project by visiting companies that maintained a compliance rate of 95% or higher to learn their best practices. The compliance rate is calculated by dividing the number of compliance alerts (designated on the report) by the number of shipments, subtracted from 100%. As a result, we have compiled this “Best Practices” document to share with AES filers a variety of effective methods to stay compliant with the FTSR reporting requirements. While this document is not all-inclusive, it does provide several excellent examples of best practices that should assist exporting companies in meeting the FTSR compliance standards.

BEST PRACTICES: Training

Training Manual

We strongly recommend that companies filing via the AES should develop a formal AES training manual. A training manual provides the basis for achieving consistent results that will support AES filers' efforts in achieving and maintaining compliance. The main purpose of such a manual is to familiarize the user with the AES process. See Appendix A for a template on how to develop a training manual for your specific company or to improve the content and effectiveness of AES filers' existing manual. The manual should be reviewed periodically to ensure that it is current with system enhancements, changes, practices, and requirements.

Cross-Training

Cross-training is defined as teaching an employee to do different tasks of the organizational unit's work responsibilities. Many companies use cross-training to build depth to cover critical tasks for filing in the AES to be sure the company is filing timely and accurately when employees are on leave, travel, other assignments, or otherwise unavailable. Cross-training employees on both the FTSR and how to file via AES will ensure that export transactions are reported accurately and staff will be knowledgeable and equipped to properly file export shipments. For example, staff should be familiar with filing export transactions in the AES, including what actions to take for correcting fatal errors. Cross-training provides improved coverage, increased flexibility, knowledge sharing, and it minimizes or eliminates potential problems that may cause chaotic work conditions.

BEST PRACTICES: Training

Mentor Program

Mentoring allows experienced staff (mentors) to share lessons learned, tips, and suggestions on how to file export transactions accurately and timely. Mentoring provides ongoing support to new employees, accelerating their learning curve to achieve the level of understanding required to ensure compliance and reporting accuracy. The mentoring section of a company's training manual should include internal as well as external contacts who can offer assistance. Mentors should review the FTSR with all new employees and review such concepts as U.S. Principal Party in Interest (USPPI), reporting requirements of an export transaction, routed export transaction, data elements and export filing exemptions. The ultimate goal of the mentoring program is to have experienced employees share their knowledge and skills with newly employed staff that will be carrying on the company's work in the future. For example, a new employee can shadow an experienced employee, throughout the entire process of receiving/verifying documents, entering information into the AES, responding to error messages and notating loading documents with accurate proof-of-filing citations, etc. By developing a mentoring program, the organization prepares its new employees to become better equipped with the export filing process. Emphasizing employee development will yield positive results for both mentors and new employees.

BEST PRACTICES: Training

Seminars & Workshops

A fundamental cause of noncompliance is a lack of understanding of the FTSR, other export control regulations, and the AES process. If filing via *AESDirect* or *AESPCLink*, all the AES staff should study the tutorial and take the certification quiz prior to the initial filing of information. Once a year as a refresher, your organization's AES staff should study the tutorial and retake the quiz. The staff should attend the Census Bureau sponsored training, such as the AES Export Compliance Seminars and the *AESPCLink* Certification Workshops.

Knowledgeable Census Bureau experts lead the seminars and cover information on the FTSR, researching commodity classifications, and the proper filing of information via the AES. The seminars and workshops offered by the Census Bureau can be tailored to meet the needs of your organization. It is suggested that staff should also attend export seminars and workshops hosted by State and local governments, other Federal Agencies, trade groups, consultants and other private companies. The variety of training options will provide employees with an opportunity to learn all aspects of the export process. In addition, companies should conduct in-house forums to share best practices, provide updates on the AES and the FTSR along with information on other government export requirements that are relevant to your company's export process.

BEST PRACTICES: References

Contact Information

Develop a list of contacts when questions and/or problems arise. Please refer to the following contact list:

- FTD Census Call Center 800-549-0595
 - AES Help Desk–Option 1
 - Schedule B/HTS classification assistance–Option 2
 - Regulations assistance–Option 3
- AESDirect Technical Support 877-715-4433 or (301) 562-7790, Ext. 3
- U.S. Customs & Border Protection – (202) 344-3277
- Bureau of Industry and Security (BIS)
 - Commerce License Help Desk – (202) 482-4811
 - Western Regional Office – (949) 660-0144 or (408) 351-3378
- U.S. State Department, Directorate Defense Trade Controls – (202) 663-2828
- U.S. Department of Treasury, Office of Foreign Asset Control – (202) 622-2480

BEST PRACTICES: References

Frequently Asked Questions

Develop a frequently asked questions (FAQs) list to provide explanations and examples designed to clarify complex situations or common misunderstandings specific to your company.

Document commonly asked questions regarding the AES filing process and export regulations.

The FAQs may include examples of:

- Other export regulation requirements, for example: based on the Bureau of Industry and Security (BIS), U.S. Customs and Border Protection (CBP), and the State Department,
- AES filing requirements,
- Definitions and explanations of specific terms, such as the USPPI, Routed Export Transaction, Authorized Agent, et cetera
- Common Terms and Acronyms (example listed in Appendix B), and
- Helpful Web sites (example listed in Appendix C).

Please visit the FTD website at <http://www.census.gov/trade> for FAQs compiled over a period of time to view the types of questions the trade asks about the AES, regulations, tariff schedules, and related topics. For additional assistance in reporting export shipments of commodities on the Commerce Control List, refer to the BIS Export Management System. The BIS website address can be found in Appendix C. Information on the different export schedules such as U.S. Customs Ports by code and description, Country and Territory Destination by Code and Description, and Air Carrier Codes listed by name may be found at the following website at <http://www.cbp.gov/xp/cgov/home.xml>.

BEST PRACTICES: Classifying Commodities

In order to file your export shipment, you must know the 10-digit Schedule B number(s) for the commodities you are exporting. The Schedule B and its import counterpart, the Harmonized Tariff Schedule of the United States Annotated (HTSUSA), are based on the six-digit international Harmonized System (HS). Before attempting to classify a product, you should have its complete description and knowledge of the product's function, composition, and characteristics. While *AESDirect* and *AESPCLink* offer look up capabilities to classify products, this function provides limited descriptions. Do not rely solely on the limited lookup functions within the *AESDirect* and *AESPCLink* software for classifying merchandise.

After identifying possible codes, closely read the descriptions for the 4-digit heading and subsequent subheadings in the Schedule B number, paying close attention to indentations and alignments. Follow through the detailed descriptions until you arrive at a complete, ten-digit classification code. For further classification guidance, read pertinent section, chapter, and statistical notes in the Schedule B/HTSUSA manual posted at the website cited in the preceding paragraph. An online search of the Schedule B Index produces a list of descriptions and their six-digit codes or ranges. Selecting a link from this list brings the user directly to the four-digit heading in the text version of the Schedule B/HTSUSA manual. After reading the heading and verifying that it is the appropriate location for the commodity in question, the USPPI or AES filer should then compare the subsequent subheadings, paying close attention to indentations and alignment. Upon determination of the best six-digit subheading, repeat the process of comparison to find the correct Schedule B number.

BEST PRACTICES: Classifying Commodities

Use the Schedule B search engine or manual, available at <http://www.census.gov/foreign-trade/schedules/b/index.html> to assist in your initial classification and for periodic review and updates.

BEST PRACTICES: Export Checklist

Develop a checklist that identifies what the staff must do prior to submitting a shipment transaction via the AES. A checklist provides a tool for collecting information and establishing procedures to ensure that your organization complies with FTSR and with export regulations of other government agencies. The following are some examples of the items that should appear on your checklist:

- Check if the goods being shipped require licenses (Refer to the BIS, State Department, Office of Foreign Assets Control or other government agency website in Appendix C),
- Check the consignees name against the Denied Parties List (Refer to the BIS website in Appendix C),
- Verify that the ultimate destination is not a sanctioned country (Refer to the Office of Foreign Asset Control website in Appendix C),
- Confirm that an Internal Transaction Number (ITN) is received for each shipment submitted,
- Take appropriate action to correct all fatal errors,
- Based upon the estimated date of departure, determine the filing deadline:
 - Option 2 filers must file prior to export,
 - If the USPPPI is an Option 4 approved filer (Post Departure), the USPPPI or authorized agent must file within 10 working days of exportation,
- Verify that the commodity classification code is from the current Schedule B/HTSUSA manual,
- Ensure the classification code properly identifies the commodity being shipped, and
- Verify that the commodity code is 10 digits with no embedded spaces or characters.

BEST PRACTICES: Software Enhancements

Software Selection

The software (proprietary or purchased) used to file in AES should contain certain edits that will flag/reject invalid export information before it is submitted. For example, if the product value is missing, the selected software should reject the shipment, requiring the filer to correct the error before it is transmitted to AES. Once the errors are identified, correct them immediately.

Companies must ensure that they have current updates to code tables as well as the most recent error messages built in the software. This allows a company to be proactive in identifying errors before the AES records are transmitted.

If you use the standard-edition *AES*PcLink** software, you must update the software and tables on all individual computers using the software. If you use the network-edition (LAN) software, your network administrator must update the software and tables for all users. We recommend that you perform the update functions at least once per month, or more often if you experience coding errors.

Daily Reports

Develop or purchase software that has the capabilities of identifying unresolved errors by running specific reports based on different types of criteria. For example, the software could generate a report for “Shipments without an ITN,” “Shipments with an ITN,” “Shipments pending response,” “Shipments reported over 24 hour time period,” etc. The ability to create

BEST PRACTICES: Software Enhancements

these reports gives the filer a snap shot of their progress with compliance alerts, fatal errors, verify messages, etc. If you are a USPPI with an authorized agent that files on your behalf, request that your agent provide you with reports of these types.

APPENDIX A: Sample Training Manual

Introduction to AES

The Automated Export System (AES) is a joint venture between the U.S. Customs and Border Protection (CBP), the Foreign Trade Division (FTD) of the U.S. Census Bureau, other Federal partnership agencies, and the U. S. export trade community. The AES provides an alternative to filing paper Shippers' Export Declarations (SEDs) by collecting export information electronically, applying a series of edits, and responding back to the filer so that errors are detected and corrected at the time of filing.

The AES is a nationwide system operational at all ports and for all modes of transportation, designed to ensure compliance with the enforcement of export laws. The collection of export data electronically improves trade statistics and ensures timely and accurate filings along with reducing filers reporting burden to multiple agencies.

The Bureau of Industry and Security (BIS), the State Department's Directorate Defense Trade Controls (DDTC) and other Federal agencies have identified data fields in the AES that are critical to their agency's mission. The AES serves as the central point for multiple Federal government agencies in capturing export shipment data electronically.

Benefits of AES

Ensure Export Compliance. The AES, with its editing system and your subsequent corrections, ensures a company's compliance with current U.S. export reporting requirements. The system returns an Internal Transaction Number (ITN) as confirmation that you have successfully filed your export documentation.

Sample ITN: X20070620581949

The ITN always begins with an X, followed by the four-digit year, two-digit month, two-digit day and six-digit random identifier generated by AES. Although the ITN is linked to your filer ID and shipment number, these are not printed or shown in the message to protect your privacy and data security.

Correct Errors as They Occur. The AES provides immediate feedback to the filer when data are omitted or incorrect. The AES allows you to correct errors early in the process, before your goods are subject to delay or penalties.

Decrease Your Costs. Eliminate the cost of corrections with up-front data edits. Save money by replacing the costly delays of paper handling with free web-based electronic reporting. Avoid duplicate reporting by creating a simple, straightforward reporting procedure.

Eliminate Paper Review of Licenses Against Shipments. The interface with the Department of Commerce's BIS, DDTC electronically validates data on export shipments against previously

APPENDIX A: Sample Training Manual

approved licenses and transmits the transaction to the appropriate Partnership Agency. All shipments of goods on either the Commerce Control List (CCL) or the United States Munitions List (USML) must be reported electronically through the AES. Paper SEDs are not valid for these shipments.

Response messages from AES

Below are the AES Response Code Identifiers and the requirement for each. These response code identifiers are returned to the AES filer in the AES output record, along with the specific Response Code and message.

F = Fatal Error

Shipments with a Fatal Error message have not been accepted by AES. The AES output record will display the Response Code “F” and the Response Code Message. Shipments with Fatal Error message(s) must be corrected prior to the cargo leaving the U.S. or prior to the tenth day after exportation if the U.S. Principal Party in Interest (USPPI) is approved for postdeparture (Option 4) filing.

W = Warning

Shipments with a Warning message must be corrected within 4 days from the date of transmission.

C = Compliance Alert

Shipments with a Compliance Alert message were filed late and/or a postdeparture change was made to certain elements in the shipment. Receiving a compliance alert means that your shipment is in violation of the export reporting requirements. You cannot correct a compliance alert message. If a filer consistently receives compliance alerts, then the filer must identify and correct certain business practices that lead to these alerts. Otherwise, the filer may be subject to delays, fines and/or penalties.

V = Verify

Shipments with a Verify message receive an ITN, but some information in question must be verified as correct. No further action is required if the information reported is verified. If not correct, please make the necessary correction and resubmit.

I = Informational

Shipments with an Informational message require no action. This is a non-critical response. The information noted is for your records only.

APPENDIX A: Sample Training Manual

When is the AES information required?

An AES record must be filed for exports of physical goods valued at more than \$2,500 per commodity classification code, when shipped as follows:

- From U.S. to foreign countries,
- Between the U.S. and Puerto Rico,
- From Puerto Rico to foreign countries,
- From Puerto Rico to U.S. Virgin Islands,
- From the U.S. to the U.S. Virgin Islands, and
- Licensable commodities (regardless of value).

What is an Export Shipment?

An export shipment is defined as merchandise shipped from one USPPI to one consignee, on the same flight/vessel, to the same country, on the same day, valued over \$2,500 per Schedule B/ Harmonized Tariff Schedule of the United States Annotated (HTSUSA) number or (any value) where a license is required

Types of Transactions

Standard Export Transaction: In a standard export transaction the USPPI files the AES record or authorizes a U.S. forwarder or other agent to facilitate export of items out of the United States and/or to file the information with CBP. In the standard export transaction, the USPPI controls the movement of the cargo.

Responsibilities in a Standard Export Transaction

USPPI Responsibilities:

- Appoints authorized U.S. agent to facilitate movement of cargo,
- Provides power of attorney or written authorization to the authorized U.S. agent,
- Makes a license determination, and
- Reports required export information or authorizes agent to file report.

Authorized U.S. Agent Responsibilities:

- Provides transportation data,
- Obtains the authorization from the USPPI,
- Provides the USPPI with a copy of the export information that was filed, if requested, and
- Reports required export information if authorized by the USPPI.

Routed Export Transaction: In a routed export transaction the foreign principal party in interest (FPPI) authorizes a U.S. forwarder, USPPI or other agent to facilitate the export of items

APPENDIX A: Sample Training Manual

out of the United States. In the routed export transaction, the FPPI controls the movement of the cargo.

Responsibilities in a Routed Export Transaction

USPPI Responsibilities:

- May file on behalf of the FPPI if a power of attorney or written authorization is obtained from the FPPI,
- Provides FPPI-authorized U.S. agent with specific export and licensing information,
- Is entitled to a copy of the required export information that was submitted to the FPPI-authorized U.S. agent to file, and
- May request in writing from the FPPI (See Export Administration Regulations (EAR) 758.3).

Authorized U.S. Agent:

- Obtains a power of attorney or written authorization from the FPPI to move cargo,
- Completes export information for filing, as authorized by the FPPI, and
- Provides a copy of the export information to the USPPI when requested.

Correcting Export Shipments

Based on FTSR 30.64, the USPPI or their authorized agent is responsible for transmitting corrections, cancellations, or amendments to export shipment information previously transmitted using the AES. Corrections, cancellations, or amendments must be made as soon as possible, whether before or after exportation.

Correcting Fatal Errors

When you receive notice of a fatal error from the AES, this means that your export shipment was rejected and you have not actually filed; therefore, your shipment report was not added to the CBP database and cannot be viewed by the CBP inspectors. Your cargo may be subject to delay, seizure, fines or penalties. Immediate attention to correcting such errors is therefore in your company's best interests.

All error messages, including causes and corrective measures, can be found in Appendix A of the Automated Export System Trade Interface Requirements (AESTIR). The link to the AESTIR is at the following Web site address http://www.cbp.gov/xp/cgov/export/aes/tech_docs/

APPENDIX A: Sample Training Manual

Use this section to list errors common to your company. Below are examples of some of the most frequent errors reported to the Census Bureau:

Fatal Error 256 USPPI Postal Code Not Valid for State

This error occurs frequently in Routed Transaction shipments, when a Foreign Country Postal Code is reported instead of a U.S. Postal Code. The Postal Code must be the Postal Code for the USPPI address (reflecting a U.S. Postal Code). It must be reported as either five numeric digits followed by four spaces or nine numeric digits. The state code must match the state associated to the postal code.

Fatal Error 649 “Quantity 1” Cannot Exceed Shipping Weight

This error occurs, for example, when the “Unit of Measure 1” requires KG (kilograms) and the net quantity exceeds the shipping weight. The Shipping Weight must always be expressed in kilograms and equal the net kilograms plus the weight of the packing materials. Shipping weight cannot be less than net weight when the unit of measure is expressed in kilograms.

Fatal Error 643 “Quantity 2” Must Be Greater Than Zero

This error occurs when the Schedule B/HTSUSA Number requires “Quantity 2” to be reported and “Quantity 2” is missing or has been reported as zero. Quantity 2 must be reported when required by the Schedule B/HTSUSA Manual.

Fatal Error 128 “Port Of Export” Unknown

This error occurs when the filer reports an invalid “Port Code.” You cannot use the port name, but must use the four-digit Schedule D port code. The Schedule D codes may be found in the appendices of the AESTIR or on the Census Bureau website.

APPENDIX A: Sample Training Manual

Export Commodity Classification Codes

The 2007 edition of Schedule B supersedes all previous editions as the official schedule of commodity classifications to be used by shippers in reporting export shipments from the United States, and in compiling the official statistics on exports of merchandise from the United States. This edition became effective in January 2007.

The correct commodity number shown in the current edition of Schedule B must be reported on the AES record. A description of the merchandise, in sufficient detail to permit the verification of the Schedule B number, must also be furnished on the export declaration, as well as other statistical data, in accordance with the Foreign Trade Statistics Regulations (FTSR). Import classification codes, found in the HTSUSA may be substituted for export codes, with a short list of exceptions noted on the Census Bureau website at www.census.gov/trade.

Organization of the Schedule B Classification

Schedule B, based on the Harmonized System (HS), consists of 22 sections divided into 97 chapters. Chapters 1 through 97 correspond with the International System of Numbering, with chapter 77 being blank. An additional chapter, 98, is used for special classification provisions that apply only to U.S. exports. The 10-digit Harmonized System-Based Schedule B codes (commodity numbers) comprise these chapters. There are approximately 9,000 of these 10-digit classification codes in the 2007 edition of Schedule B. The definitions for these codes are as follows:

Code	Definition	Example
07	Chapter in which a commodity is classified	Chapter 7, Edible Vegetables and Certain Roots and Tubers
0713	Represents the heading in that chapter	Dried Leguminous Vegetables, Shelled, Whether or not Skinned or Split
0713.10	Represents the Harmonized System code subheading	International Harmonized Code for Peas (Pisum Sativum)
0713.10.4020	Represents statistical subdivisions	Commodity Code for Green Peas

APPENDIX A: Sample Training Manual

Locating the Correct Schedule B Number

The table of contents of the Schedule B manual lists all of the sections and chapters with their descriptions. This will serve as a guide to the general area in which a commodity may be classified. The Schedule B manual also contains an alphabetical index that indicates the first six digits or six-digit range of the 10-digit Schedule B numbers for the listed item. Although only the first six digits of the Schedule B number are given in the index, the complete 10-digit code must be used in reporting export shipments. The only purpose of the index is to assist in locating the part of the document in which a particular classification can be found. Failure to find the item in the index does not relieve the shipper of the responsibility for locating the correct Schedule B number for the item being reported.

After locating the description and six-digit code for an item in the alphabetical index, the USPPI then searches for that numerical sequence in the body of the Schedule B. After reading all pertinent section, chapter, and statistical notes, the USPPI should assign the appropriate 10-digit Schedule B number.

In cases where the USPPI is unable to locate an item in the alphabetical index, one of two methods of assigning a Schedule B number may be chosen. If the HTSUSA number is known, in most cases it may be reported in lieu of the Schedule B number. The item also may be located in the Schedule B numeric sequence by referring to the table of contents in the front of the Schedule B and locating the appropriate chapter, and subsequently, the correct Schedule B number. The General and U.S. Rules of Interpretation and Definitions, as well as the notes appearing in the sections and chapters of Schedule B, should be reviewed before attempting to locate the correct commodity number.

If you need assistance with classification call 1-800-549-0595 and select option 2.

Reporting Requirements

Not Elsewhere Specified or Included (n.e.s.o.i.). If a Schedule B number has been located that seems to apply to the commodity being classified, but the description for the number carries the limitation n.e.s.o.i., the commodity number should not be used until a check has been made to determine whether there is a classification elsewhere into which the item will fit more specifically. Other classifications under the same general heading should be examined.

Double Units of Quantity. When two units of quantity are specified in the “Unit of Quantity” column for a Schedule B classification, unless there are blocks specifically provided and labeled, the first, or primary, unit should be reported on the AES record, on the same line with the Schedule B number and the value. Report the second, or secondary, unit of quantity directly below the first unit of quantity.

Shipping Containers. When shipping containers are exported as merchandise for sale or transfer of ownership abroad, they must be reported on export declarations under the appropriate Schedule B commodity number for the particular type of container. However, in accordance with the FTSR, shipping containers are not considered to be exported when they are moving, either loaded or empty, strictly in their capacity as carriers of merchandise, i.e., as instruments of international traffic, not for sale or transfer from U.S. ownership or title to foreign ownership or title. Therefore, containers leaving the United States strictly as instruments of international traffic do not have to be reported on the AES record. If for any reason a USPPI wishes to report the movements of such containers on export declarations, they may be reported under Schedule B number 9801.20.0000. This classification is not to be used to report the contents of the containers. Contents of such containers are to be reported under the appropriate classification(s) for the merchandise.

Commodities Donated for Relief or Charity by Individuals or Private Agencies. Chapter 98 provides for exports of certain commodities donated for relief or charity by individuals or private agencies. In general, except for bulk grain, such classifications are provided for those commodities that are known to be, or are likely to be, exported for relief or charity in fairly sizable amounts. In addition to chapter notes for chapter 98, please read the chapter notes for chapters 1 through 16, 21, 30, and 63, to ensure that relief or charity shipments are correctly classified.

Reporting the Value of Repairs and Alterations. USPPIs and authorized agents must report, under Schedule B number 9801.10.0000, the value of repairs and alterations made on articles previously imported for such purposes. These articles must be reported as domestic merchandise, and the value to be reported must represent the total value of repairs and alterations made in the United States. Even if the customer pays no fees or charges, you must report the actual or estimated cost of repairs to the USPPI. The original or current value of the article that was imported to be repaired or altered must NOT be reported and therefore should not be included in the value reported for commodity number 9801.10.0000.

Export of Articles Previously Imported for Processing. Articles exported after having been imported temporarily under bond for processing (HTS 9813.00.0520) must be reported as domestic merchandise. The Schedule B number assigned must be selected from chapters 1 through 97, according to the exported article. The Value reported must be the total value of the article.

APPENDIX A: Sample Training Manual

Instructions for Submitting a Voluntary Self-Disclosure (VSD)

The Census Bureau strongly encourages companies, without prompting from Federal agencies, to discover, disclose, and correct potential violations of the FTSR. Identifying possible causes of incidents or practices will address noncompliance issues and encourage you to pursue compliance with due diligence. A VSD must be made when information was not reported or when incorrect information was provided (whether deliberate or unintentional).

A VSD cannot be used to report a correction to a shipment. Shipments must be filed based on the information known at the time of export. If that information changes after the export, corrections/amendments must be made to the transaction information in the AES/SED. See Sections 30.64 of the FTSR for instructions on making corrections. Furthermore, shipments must be corrected as soon as possible, whether prior to or after submission of the VSD

Follow these steps to submit a VSD:

- (1) Initial notification. The disclosure must be made promptly after knowledge of the noncompliance. The individual making the disclosure must do so with full knowledge and authorization of the firm's senior management. The initial notification must be in writing and be sent to the address in (4) below. The notification must include the name of the person making the disclosure and a brief description of the suspected violations. The notification must describe the general nature and extent of the violations.

Note: Also, disclosure must be made of suspected violations that involve export of items controlled, licensed, or otherwise subject to the jurisdiction by a department or agency of the Federal Government. These disclosures must be made to the appropriate Federal department or agency, in addition to the VSD required by the Census Bureau.

- (2) Narrative account. The narrative account must include:
 - (i) The kind of violation involved, for example, failure to file, failure to correct fatal errors, failure to file timely corrections,
 - (ii) Describe all FTSR-mandated information that was either unreported or reported incorrectly;
 - (iii) An explanation of when and how the violations occurred,
 - (iv) The complete identities and addresses of all individuals and organizations, whether foreign or domestic, involved in the activities giving rise to the violations,
 - (v) Describe corrective measures applied to resolve violations that occurred, and

APPENDIX A: Sample Training Manual

- (vi) A description of any mitigating circumstances.
- (3) AES Information. Report all data required under the FTSR that was not previously reported or was reported incorrectly.
- (4) Where to make a VSD. The information constituting or pertaining to VSD may be submitted to:

Chief, Foreign Trade Division
U.S. Census Bureau
4600 Silver Hill Road, Room 6K032
Washington, D.C. 20233-6700

Suggested Appendices

- Common Terms and Acronyms
- Helpful Websites/Links
- Company Policies & Procedures

APPENDIX B: Common Terms and Acronyms

AES	Automated Export System
AESTIR	Automated Export System Trade Interface Requirements
BIS	Bureau of Industry and Security
BOL	Bill of Lading
CBP	U.S. Customs and Border Protection
CCL	Commerce Control List
CFR	Code of Federal Regulations
DDTC	Department of State, Directorate of Defense Trade Controls
DUNS	Data Universal Numbering System (Dun & Bradstreet Number)
EAR	Export Administration Regulations
ECCN	Export Control Classification Number
EEI	Electronic Export Information
EIN	Employee Identification Number
FPPI	Foreign Principal Party in Interest
FTD	Foreign Trade Division
FTSR	Foreign Trade Statistics Regulations
FTZ	Foreign Trade Zone
HTSUSA	Harmonized Tariff Schedule of the United States Annotated
IATA	International Air Transport Association
ISO	International Standards Organization
ITA	International Trade Administration
ITAR	International Traffic in Arms Regulations
LOI	Letter of Intent
NMFTA	National Motor Freight Traffic Association
OEA	Office of Enforcement Analysis
OEE	Office of Export Enforcement
OFAC	Office of Foreign Assets Control
SCAC	Standard Carrier Alpha Code
Sch B	Schedule B number
SED	Shipper's Export Declaration, form 7525-V
USC	United States Code
USITC	U.S. International Trade Commission
USML	U.S. Munitions List
USPPI	U.S. Principal Party in Interest
VSD	Voluntary Self Disclosure

APPENDIX C: Helpful Websites

Government Agencies

U.S. Census Bureau, Foreign Trade Division
www.census.gov/trade

U.S. Bureau of Industry and Security
www.bis.doc.gov

U.S. International Trade Commission
www.usitc.gov

U.S. Department of State, Directorate of Defense Trade Controls,
<http://www.pmdtdc.state.gov/>

U.S. Army Corps of Engineers
www.iwr.usace.army.mil

U.S. Customs and Border Protection
www.cbp.gov

U.S. Department Treasury, Office of Foreign Assets Control
<http://www.treas.gov/offices/enforcement/ofac/index.shtml>

USDA - Importing Regulations and Policies
http://www.usda.gov/wps/portal/!ut/p/_s.7_0_A/7_0_1OB?navid=IMPORTING_GOODS&parentnav=MARKETING_TRADE&navtype=RT

USDA - Exporting Regulations and Policies
http://www.usda.gov/wps/portal/!ut/p/_s.7_0_A/7_0_1OB?navid=EXPORTING_GOODS&parentnav=MARKETING_TRADE&navtype=RT

USDA - Foreign Agricultural Service
<http://www.fas.usda.gov/>

NOAA's National Marine Fisheries Service - Authorization to import/export pre-Act Marine Mammal Parts/Products
http://www.nmfs.noaa.gov/pr/permits/parts_instructions.htm

Export Regulations

Foreign Trade Statistics Regulations

<http://www.census.gov/foreign-trade/regulations/regs/index.html>

Export Administration Regulations

http://www.access.gpo.gov/bis/ear/ear_data.html

International Traffic in Arms Regulations

http://www.pmddtc.state.gov/itar_index.htm

APPENDIX C: Helpful Websites

Useful References

Schedule B

<http://www.census.gov/foreign-trade/schedules/b/index.html>

Harmonized Tariff Schedule of the United States Annotated

<http://www.usitc.gov/tata/hts/bychapter/index.htm>

AES Data Elements Reference Table

<http://www.census.gov/foreign-trade/regulations/forms/sedreftable.pdf>

Commodity Filing Response Messages Appendix A (AES Error Messages)

http://www.customs.gov/linkhandler/cgov/export/aes/tech_docs/aestir/june04_intro/appendices/apndx_a.ctt/apndx_a.doc

Routed Export Procedures

<http://www.census.gov/foreign-trade/regulations/regs062004.pdf> Section 30.4

Export Compliance Quick Link to Field Questions on CCL/USML (Brief overview)

<http://www.bis.doc.gov/licensing/exportingbasics.htm>

Instructions for Resolving Fatal Errors

<http://www.census.gov/foreign-trade/aes/documentlibrary/fatals.html>

Lists to Check

<http://www.bis.doc.gov/ComplianceAndEnforcement/ListsToCheck.htm>

Trade Restrictions & Sanctions

<http://www.treas.gov/offices/enforcement/ofac/>